



RECORDATION NO. 25822-B FILED

Our File No. 114,879 JGB

JUN 25 '07

4-20 PM

SURFACE TRANSPORTATION BOARD

June 15, 2007



Surface Transportation Board
Office of Proceedings
1025 K Street NW
Washington, DC 20423-001

Dear Sir:

RE: FINANCING STATEMENT FOR FERROEQUUS RAILWAY COMPANY LTD.

Please find enclosed the original and one copy of a Financing Statement with respect to providing notice that Charles R. Allard, the Securing Party, has additional security interest in the locomotive and ancillary equipment more fully described in Exhibit "A" attached as collateral for a loan to Ferroequus Railway Company Ltd. in the principal amount of \$600,000.00 U.S. which security interest evidenced by the Short Form Security Agreement attached thereto and marked as Exhibit "B".

We would appreciate your filing the original Financing Statement and returning one copy stamped "Filed" in the enclosed self-address envelope. Also enclosed please find our cheque in the sum of \$33.00 U.S. representing the filing fee. If you have any questions or if anything further is required, please do not hesitate to contact our office. We thank you in advance for your assistance in this matter.

Yours very truly,

Shtabsky & Tussman LLP.

PER:


JIM BOUTHILLIER

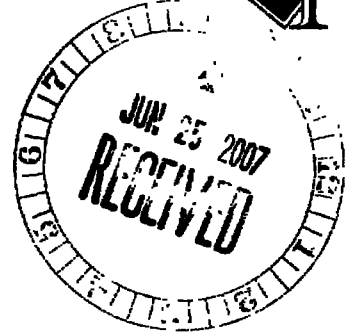
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encls.

Jim Bouthillier, Direct Line: (780) 917-8304 Email: jbouthillier@stlaw.com
Legal Assistant: Monika Scharfenberger, Direct Line: (780) 917-8314 Email: mscharfenberger@stlaw.com



Our File No. 114,879 JGB

June 21, 2007



Delivered By Courier

Surface Transportation Board
Office of Proceedings
395 E Street SW
Washington, DC 20423

ATTENTION: KAREN JANUARY

Dear Madam:

RE: FINANCING STATEMENT FOR FERROEQUUS RAILWAY COMPANY LTD.

As per our telephone conversation, I understand that the filing fees have increased to \$35.00. As such we enclose our Firm's cheque in the amount of \$2.00 U.S., to be added our earlier cheque of \$33.00, and thus complete the filing fees on the above noted matter.

We look forward to receiving the proof of filing and thank you in advance for your assistance in this matter. If you have any questions or if anything further is required, please do not hesitate to contact our office.

Yours very truly,

Shtabsky & Tussman LLP

PER:


JIM BOUTHILLIER

JGB:dmr
encls.

Jim Bouthillier, Direct Line: (780) 917-8304 Email: jbouthillier@stlaw.com
Legal Assistant: Monika Scharfenberger, Direct Line: (780) 917-8314 Email: mscharfenberger@stlaw.com

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FINANCING STATEMENT

SURFACE TRANSPORTATION BOARD

This Financing Statement is presented to the Recordation Office of the Interstate Commerce Commission pursuant to 49 U.S.S. §11303.

1. Debtor:

2.

FERROEQUUS RAILWAY COMPANY LTD.

Debtor/Business Name

2900, 10180 - 101 Street

Mailing Address

Edmonton	Alberta	Canada	T5J 3V5
<u>City</u>	<u>State/Province</u>	<u>Country</u>	<u>Zip/Postal Code</u>

Type of Debtor: Railway Corporation

3. Secured Party

Charles R. Allard

Secured/Business Name

210, 5324 Calgary Trail,

Mailing Address

Edmonton	Alberta	Canada	T6H 4J8
<u>City</u>	<u>State/Province</u>	<u>Country</u>	<u>Zip/Postal Code</u>

Type of Secured Party: Businessman

4. This Financing Statement covers the following types (or items) of property:

The steam locomotive and ancillary equipment which is more fully identified on Exhibit "A" which is attached hereto and incorporated by reference herein.

5. Number of additional sheets attached: 3 (including Exhibit and Security Agreement)

6. The purpose of this Financing Statement is to provide notice that Charles R. Allard has a security interest in the locomotive and ancillary equipment more fully described in Exhibit "A" attached as collateral for a loan to the

Ferroequus Railway Company Ltd. in the event of default as that term is more fully defined in the Security Agreement dated March 15, 2006 and amended June 30, 2006 by and between Ferroequus Railway Company Ltd. as Debtor and Charles R. Allard as Security Party which is more fully identified on Exhibit "B" which is attached hereto and incorporated by reference herein.

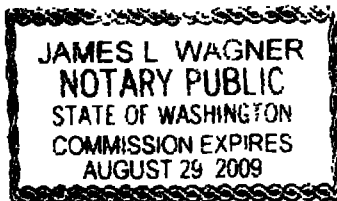
7. This Financing Statement is filed with: The Interstate Commerce Commission.

Thomas Payne
Signature of Debtor
5th June 2007
Date Signed

Charles R. Allard
Signature of Secured Party
June 13/07
Date Signed

Personally appeared before me, the undersigned Notary Public in and for Washington aforesaid, Thomas Payne, as President of FERROEQUUS RAILWAY COMPANY LTD. who acknowledged before me that he signed and delivered the above foregoing Financing Statement on the day and year and for the purposes therein mentioned for and on behalf of the said corporation, he being authorized to do so.

Given under my hand and official seal on this 5th day of June, 2007.



James L. Wagner
A Notary Public in and for
WASHINGTON
My Commission Expires
August 29, 2009

Personally appeared before me, the undersigned Notary Public in and for the Province of Alberta aforesaid, Charles R. Allard of Edmonton, Alberta, who acknowledged before me that he signed and delivered the above foregoing Financing Statement on the day and year and for the purposes therein mentioned for and on behalf of himself.

Given under my hand and official seal on this 13 day of June, 2007.

[Signature]
A Notary Public in and for the Province
Of Alberta.
My Commission Expires at Her
Majesty's Pleasure.

JIM BOUTHILLIER
BARRISTER & SOLICITOR

EXHIBIT "A"

EQUIPMENT

- 1. One (1) ex-CN Vanderbuilt steam locomotive tender, X-1827;**
- 2. One (1) Reading 2100 Class Model T-1, 4-8-4 Steam Locomotive #2100, tender and spare parts, and boiler number 58330, now bearing reporting mark "TPHX", unit number 2100, 4-8-4; and**
- 3. One (1) used, Budd Company built railroad passenger combination coach-baggage car, ex-C&O 1402, formerly known as AMTK 16324, now bearing mark "TPHX", car number 19480.**
- 4. Certificate of Fitness issued pursuant to Section 92(1)(a) of the Canada Transportation Act to, among other things, operate the Locomotive described above in Canada.**

Subject to the following security interests granted by the Company:

- 1) 1st charge on equipment of the Company, floating charge on remaining assets held by Charles Allard, original debenture dated January 22, 2001 granted by the Company in favour of Great Canadian Railtour Company Ltd. and assigned to Charles Allard by assignment dated October 27, 2005.**
- 2) 2nd charge on equipment and general charge on all present and after acquired personal property of the Company in favour of Charles Allard, by original General Security Agreement dated December 31, 2002 granted to Lang Michener, having been assigned to Thomas Payne and Thomas Payne Holdings Inc. by assignment dated August 10, 2004 (1st assignee) and thereafter assigned by the 1st Assignee to Charles Allard by assignment dated March 28th, 2005.**
- 3) A third specific charge of the equipment and a general charge on the present and after acquired personal property of the Corporation by way of Security Agreements dated March 28, 2005 by the Corporation in favour of Charles Allard.**

SHORT-FORM SECURITY AGREEMENT

SECURITY AGREEMENT dated as of June 30, 2006 by Ferroequus Railway Company Ltd., a Corporation incorporated under the Laws of Canada (the "Company") in favour of Charles R. Allard of 13723 Summit Point, Edmonton, Alberta, T5N 3S6 pursuant to the Loan Agreement (as defined in the Security Agreement, defined below) as pledgee, assignee and secured party (the "Creditor").

WHEREAS the Company has, pursuant to that certain security agreement dated as of March 15, 2006 and amended by agreement dated June 30, 2006 (the "Security Agreement"), capitalized terms used but not define herein having the meanings assigned to such terms in the Security Agreement, made by The Company as Pledgor, Assignor and Debtor in favour of and granted to the Creditor for its benefit as Secured Party, a security interest in and to all the right, title and interest of the Company as Pledgor in and to and under the Collateral including thereto the rolling stock listed on Schedule "A" attached hereto as collateral security for the payment and performance in full when due of the Obligations set out in the Security Agreement including the repayment of \$600,000.00 US; and

WHEREAS the Company and the Creditor wish to further memorialize the security interest described above as it relates to the rolling stock identified in Schedule "A" and incorporated by reference herein and all other rights appurtenant thereto, including but not limited to all proceeds thereof.

NOW THEREFORE for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company hereby grants unto the Creditor a security interest in a lien on in all of its right, title and interest in the rolling stock identified in Schedule "A", as collateral security for the payment and performance in full when due of the Obligations.

IN WITNESS WHEREOF this Security Agreement has been executed and sealed by the Company as of the date first above written on page 1 hereof.


Witness


FERROEQUUS RAILWAY COMPANY LTD.

BY:


NAME: THOMAS PAYNE
TITLE: PRESIDENT

ACCEPTED AND AGREED TO BY


CHARLES R. ALLARD


WITNESS

SCHEDULE "A"

EQUIPMENT

1. One (1) ex-CN Vanderbuilt steam locomotive tender, X-1827;
2. One (1) Reading 2100 Class Model T-1, 4-8-4 Steam Locomotive #2100, tender and spare parts, and boiler number 58330, now bearing reporting mark "TPHX, unit number 2100, 4-8-4; and
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4. Certificate of Fitness issued pursuant to Section 92(1)(a) of the Canada Transportation Act to, among other things, operate the Locomotive described above in Canada.

Subject to the following security interests granted by the Company:

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- 3) A third specific charge of the equipment and a general charge on the present and after acquired personal property of the Corporation by way of Security Agreements dated March 28, 2005 by the Corporation in favour of Charles Allard.